

SENATE BILL 2313

By McNally

AN ACT to amend Tennessee Code Annotated, Title 20
and Title 40, relative to the collection of money.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 40-24-105(d), is amended by designating the existing language as a new subdivision (1) and by adding the following new subdivisions (2) and (3):

(2) For offenses committed on or after July 1, 2014, if an agent is used, the agent's costs of collection shall be added to the total amount owed. The costs of collection by an agent shall not exceed forty percent (40%) of any amounts actually collected. The allocation formula provided in subsection (a) shall be followed, except up to forty percent (40%) may be withheld for the collection agent, with the remainder being allocated according to the formula.

(3) If an agent is used, the provisions of subdivision (d)(1) regarding what is owed by the defendant and how the collection agent may be compensated shall apply to offenses committed prior to July 1, 2014, and such provisions of subdivision (d)(2) shall apply to offenses committed on or after July 1, 2014.

SECTION 2. Tennessee Code Annotated, Section 20-12-144(c), is amended by deleting the language "as authorized by § 40-24-105" and by substituting instead the language "as authorized by § 40-24-105(d)(1)".

SECTION 3. Tennessee Code Annotated, Section 20-12-144(c), is amended by designating the existing language as a new subdivision (1) and by adding the following new subdivisions (2) and (3):

(2) For cases filed on or after July 1, 2014, if an agent is used, the agent's costs of collection shall be added to the total amount owed. The costs of collection by an agent shall not exceed forty percent (40%) of any amounts actually collected, which may be allocated from each payment made on the amounts owing for such civil costs and taxes.

(3) If an agent is used, the provisions of subdivision (c)(1) regarding what is owed and how the collection agent may be compensated shall apply to cases filed prior to July 1, 2014, and such provisions of subdivision (c)(2) shall apply to cases filed on or after July 1, 2014.

SECTION 4. If any provision of this act or the application of any provision of this act to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end, the provisions of this act are declared to be severable.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to any new agreement entered into on or after such date with a collection agency.